



KOREA

Where Success Knows No Limits

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LATEST
ECONOMIC
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OF KOREA

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KOREA'S
INVESTMENT
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- INNOVATION

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THE FOURTH
INDUSTRIAL
REVOLUTION,
KOREAN
BUSINESS
COOPERATION
OPPORTUNITY

A photograph of a traditional Korean street scene. The foreground shows a narrow alleyway with traditional Korean architecture, including tiled roofs and walls with decorative patterns. In the background, a modern city skyline is visible, featuring a prominent tower (N Seoul Tower) and other skyscrapers. The sky is clear and blue.

LATEST ECONOMIC STATUS OF KOREA

I

Key Economic Indicators



*Source: IMF, WB, WFE, BOK, Korea Exchange

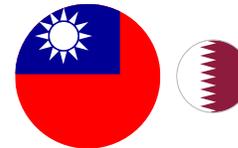
Stable Credit Rating

AA
(Aa2)

AA-
(Aa3)

A+
(A1)

MOODY'S

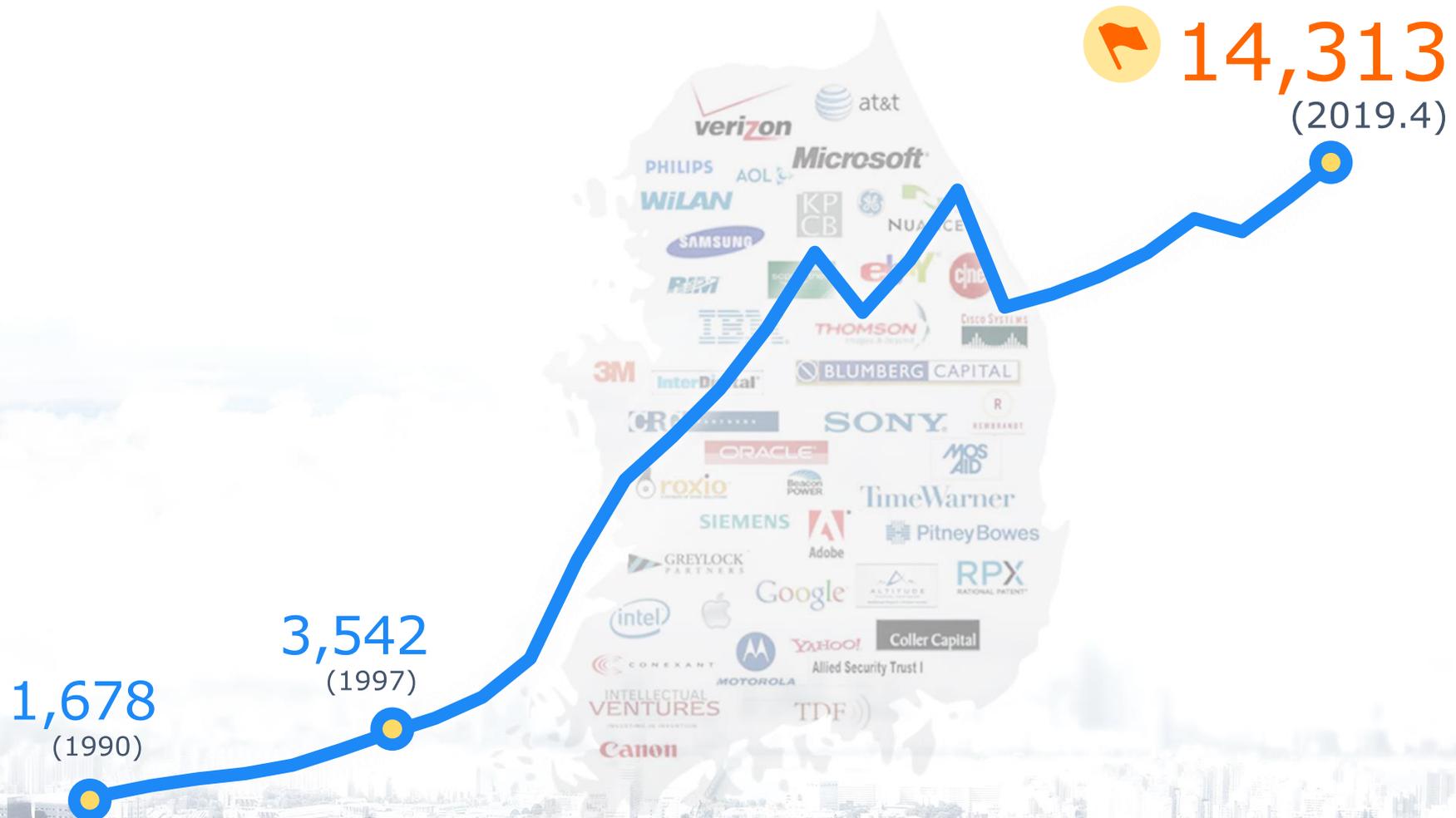


Fitch



*Source: Moody's, S&P, Fitch(As of April 19, 2017)

Foreign-Invested Companies in Korea



* Source: Ministry of Trade, Industry and Energy (2019)



KOREA'S INVESTMENT ATTRACTIVENESS

II

01

STABILITY

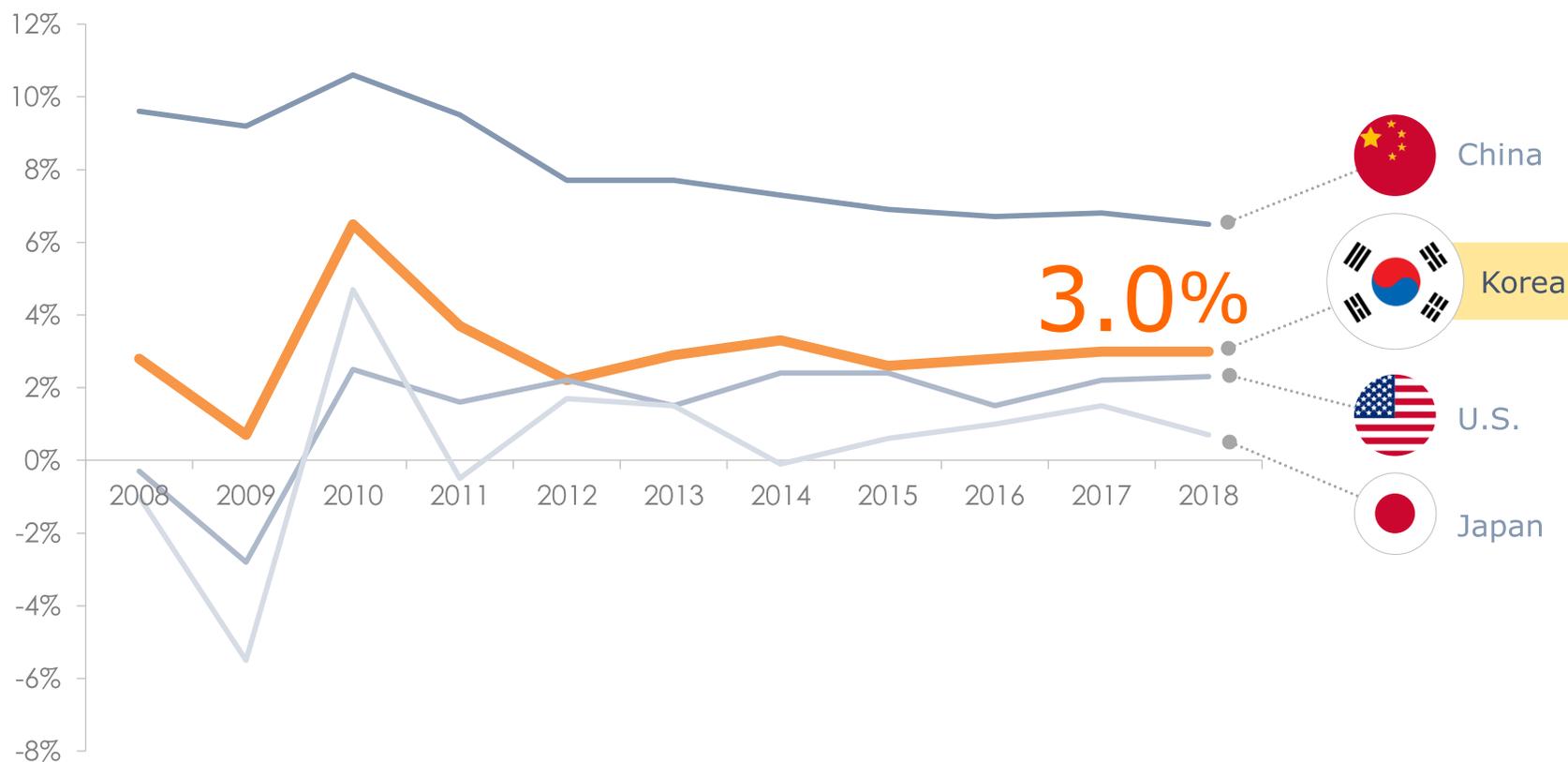


Stock Market Stability



Steady Economic Growth

GDP Growth Rate ('08~'18)



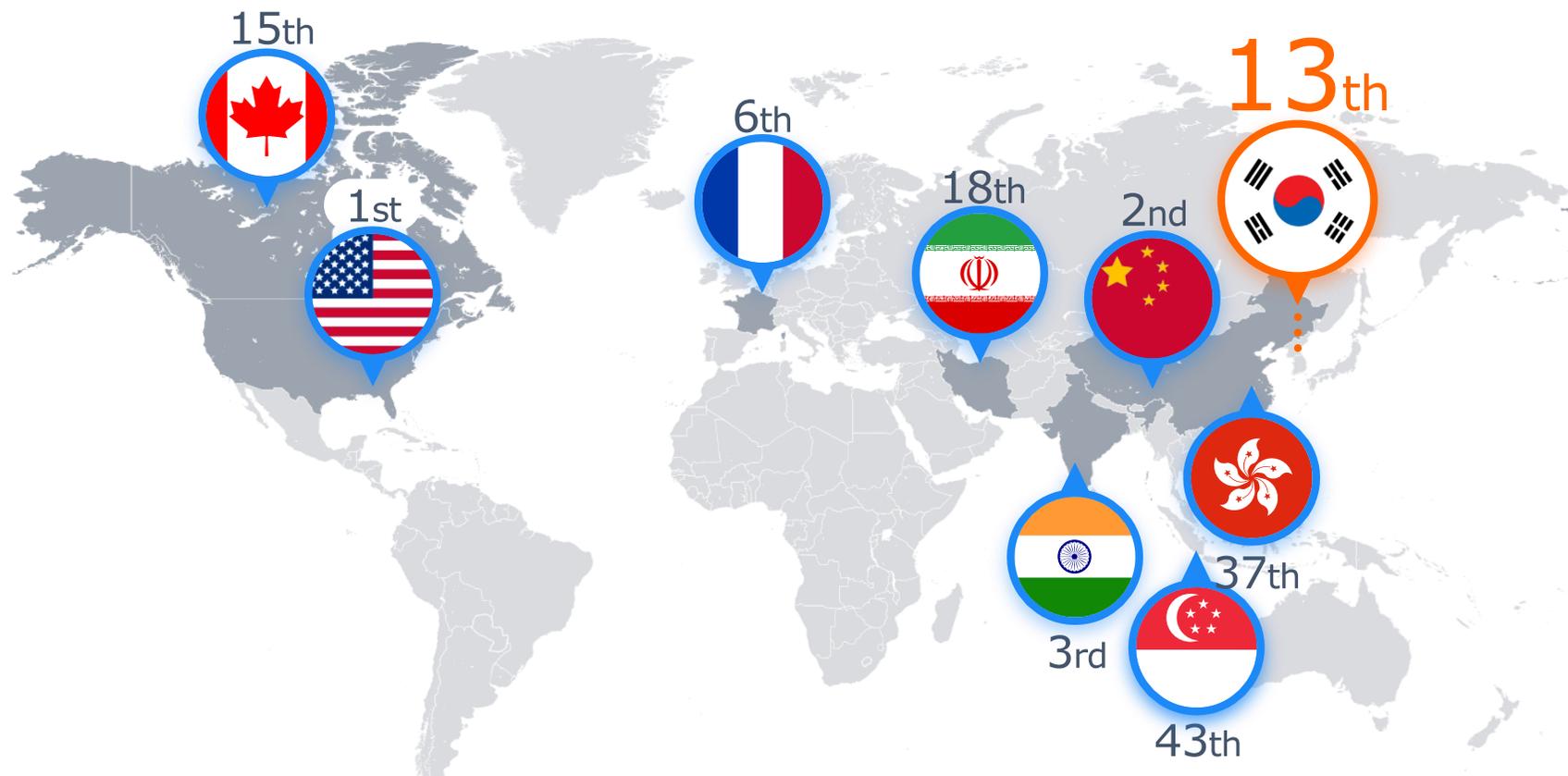
*Source: World Economic Outlook 2017, IMF, 2017

02

MARKETABILITY



Domestic Market Size



* gross domestic product + imports of goods and services - exports of goods and services

*Source : World Economic Forum(2015), <The Global Competitiveness Report 2016-2017>

Powerful Market

1st



Ramen Consumption
(per person)

* Source: Bloomberg, Euromonitor

1st



Men's Toiletries
(per person)

* Source: Euromonitor International

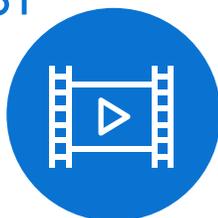
5th



Steel Consumption

* Source: Worldsteel in Figures 2015

1st



Movie watching frequency
(per person)

* Source: Screen Digest, Korean Film Council, CGV

1st



Number of Starbucks stores

* Source: Quartz(2014)

5th



Frequency of plastic surgery

* Source: The Economist, Dailymail

Powerful Market

No.1 Korean Branches
with No.1 Global Sales



Kiehl's
SINCE 1851

shu uemura
art of hair

BIOThERM
HOMME



BENTLEY

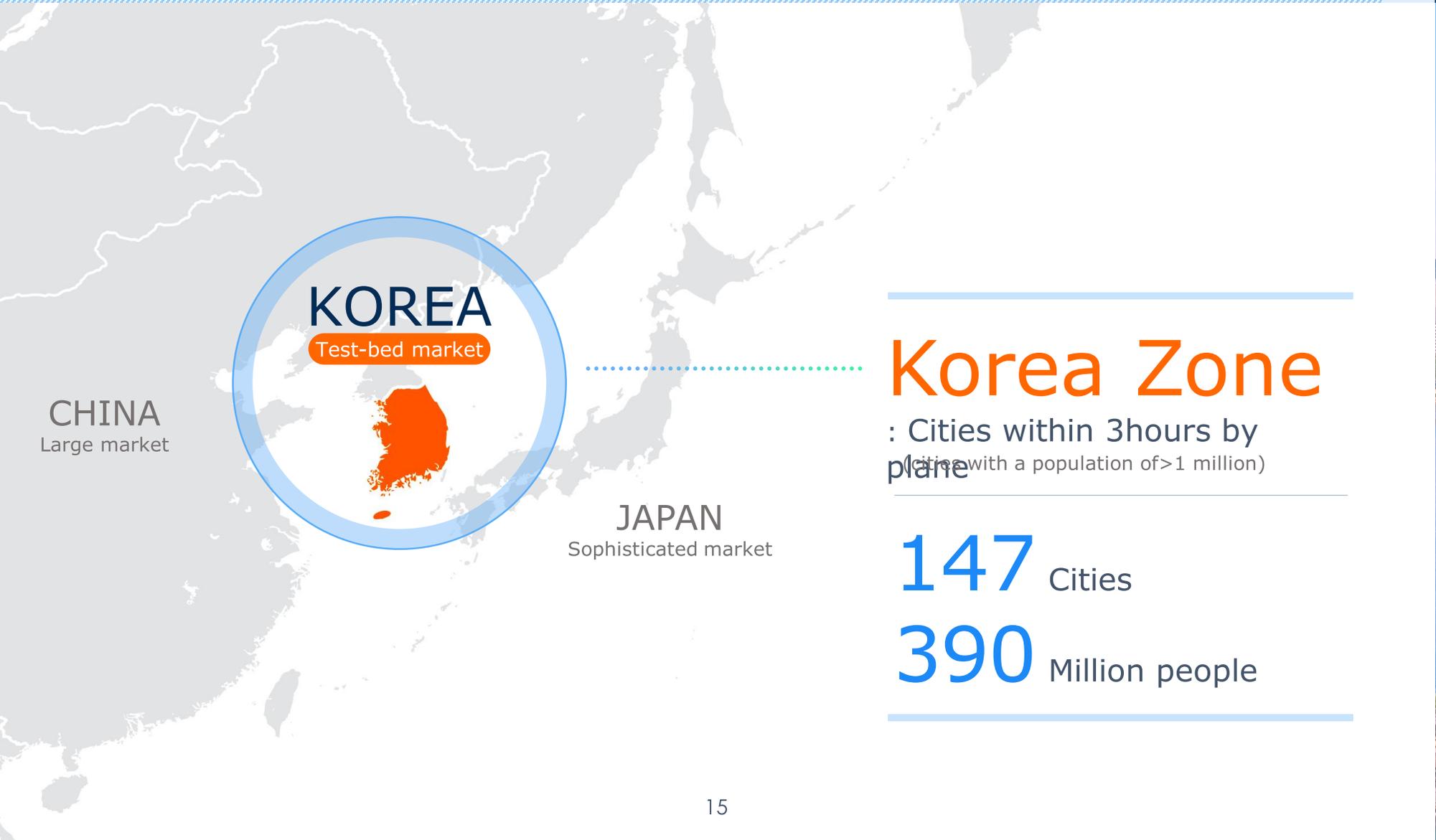
ToysRUs

benefit
SAN FRANCISCO

COSTCO
WHOLESALE

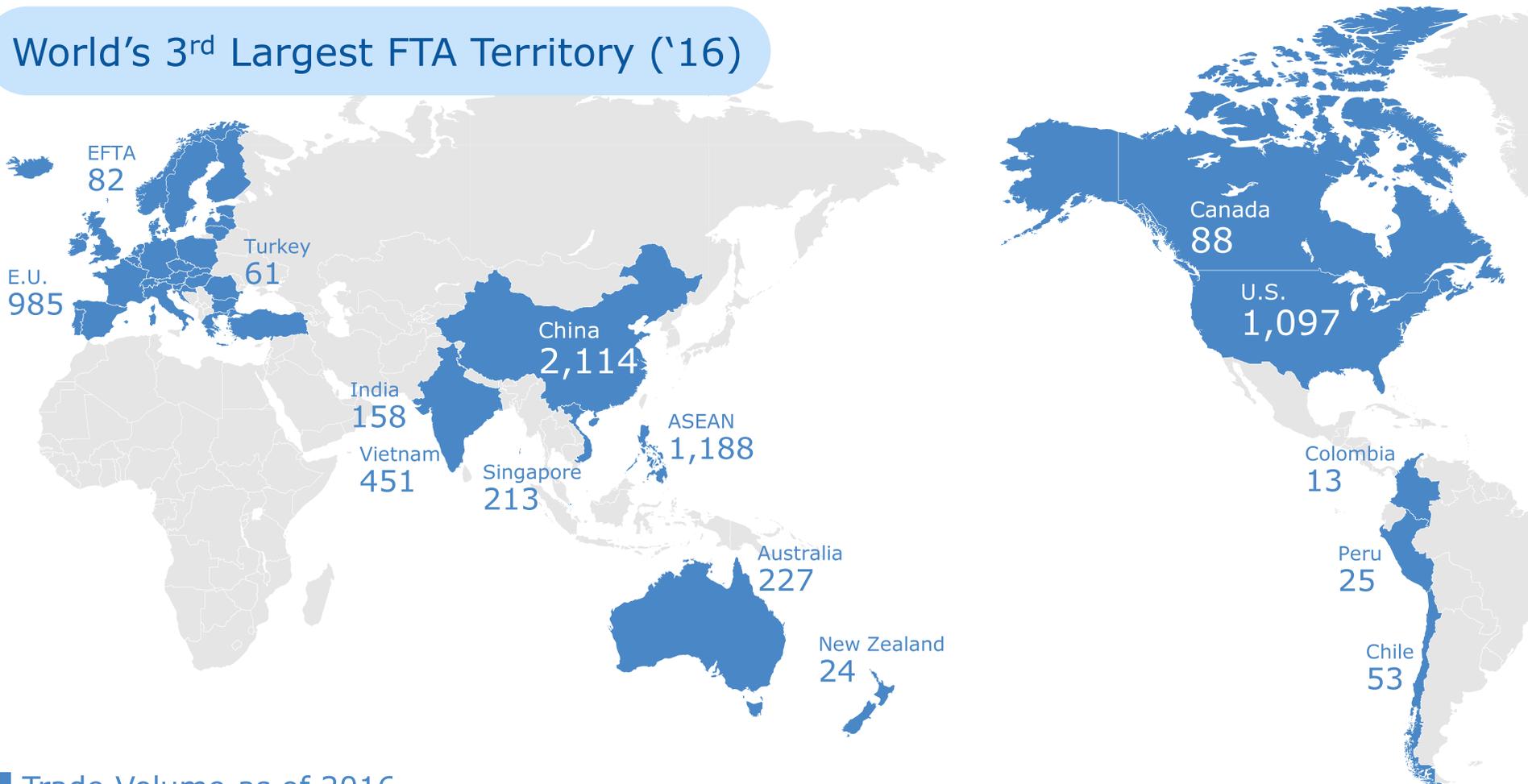
LAB SERIES
SKINCARE FOR MEN

Strategic Location in Northeast Asia



FTA with 52 countries

World's 3rd Largest FTA Territory ('16)



■ Trade Volume as of 2016
(USD 100 Million)

*Source: Ministry of Trade, Industry & Energy, Korea International Trade Association

03

INNOVATION



Most Innovative in the World

Bloomberg Innovative Index ('17)

Bloomberg 1st



1st R&D
Intensity



2nd Tertiary
Efficiency



1st Value-Added
Manufacturing

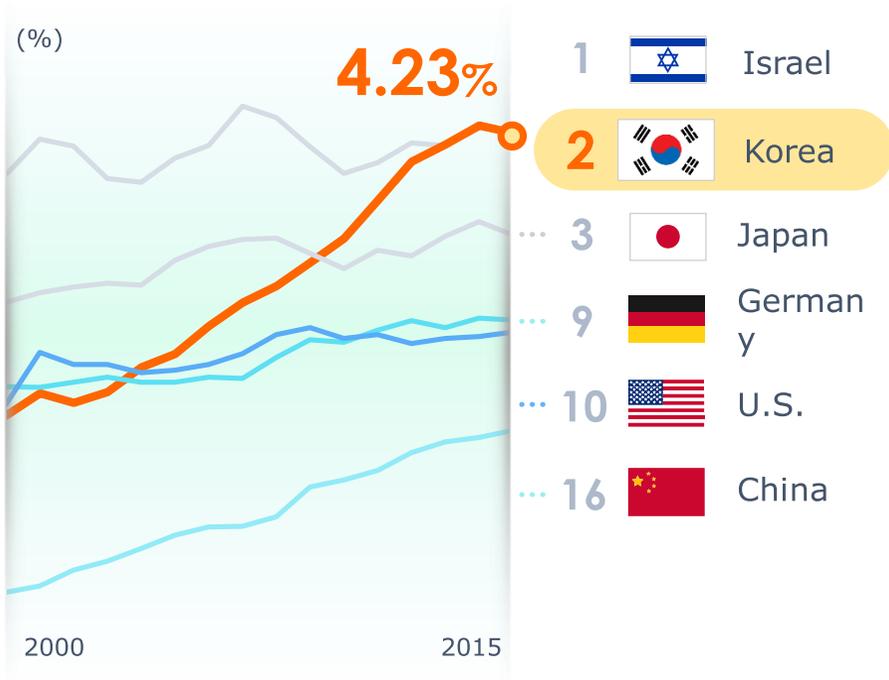


1st Patent
Activity

*Source: Bloomberg(January 2017)

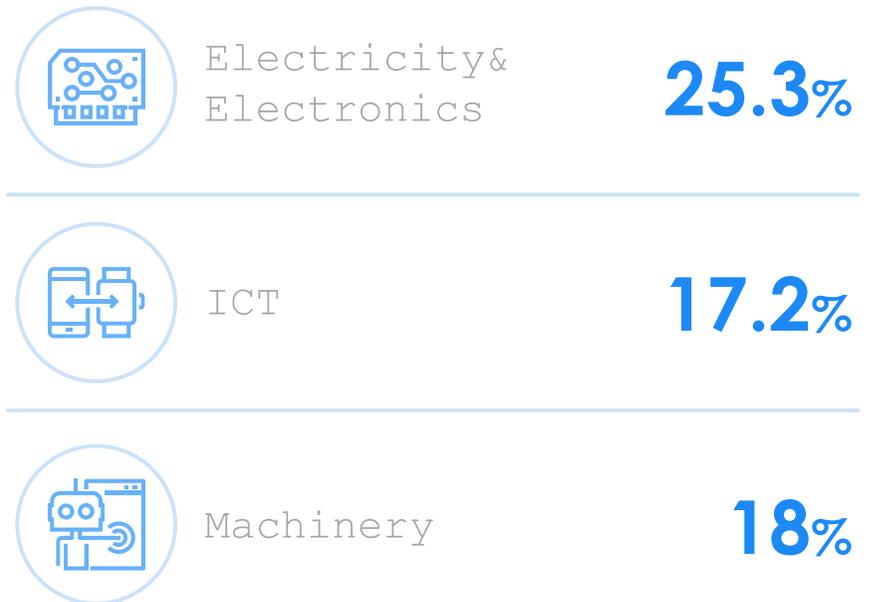
R&D Intensity

Total Expenditure on R&D/GDP



*Source: OECD(February 2017)
"Main Science and Technology Indicators, 2016 Issue 2"

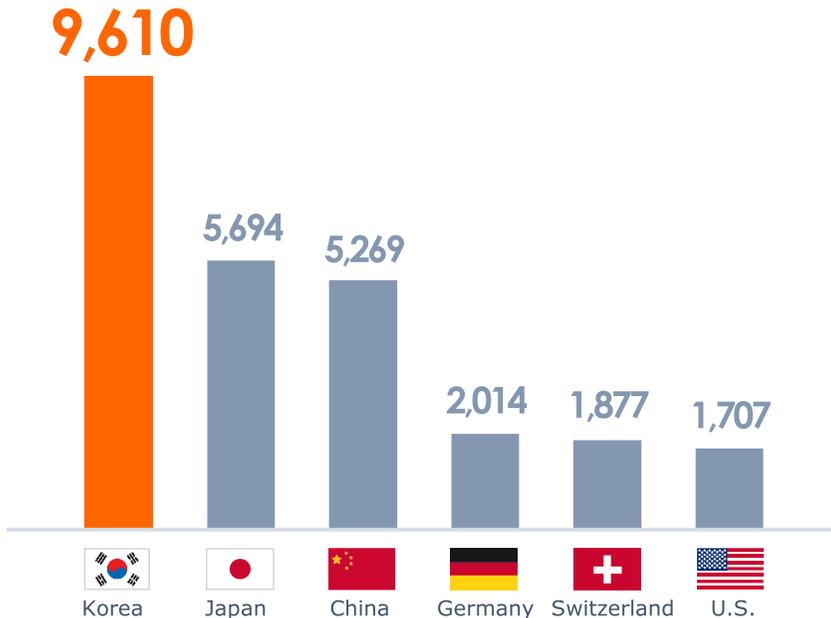
Top 3 Industries for R&D



*Source: Ministry of Science, ICT and Future Planning(January 2017)
"2015 R&D Status Report"

Patent Activity

Resident Patent Applications per 100B USD GDP ('15)



*Source: WIPO(December 2016) "World Intellectual property indicators 2016"

Korea's Top 3 R&D Industries ('16)



Digital communication

14.4%



Electrical machinery, apparatus, energy

7.6%



Computer technology

8%

*Source: WIPO(March 2017) "WIPO Statistics Database"

Patent Pendency Period



1st

9.4Months



2nd

9.5Months



3rd

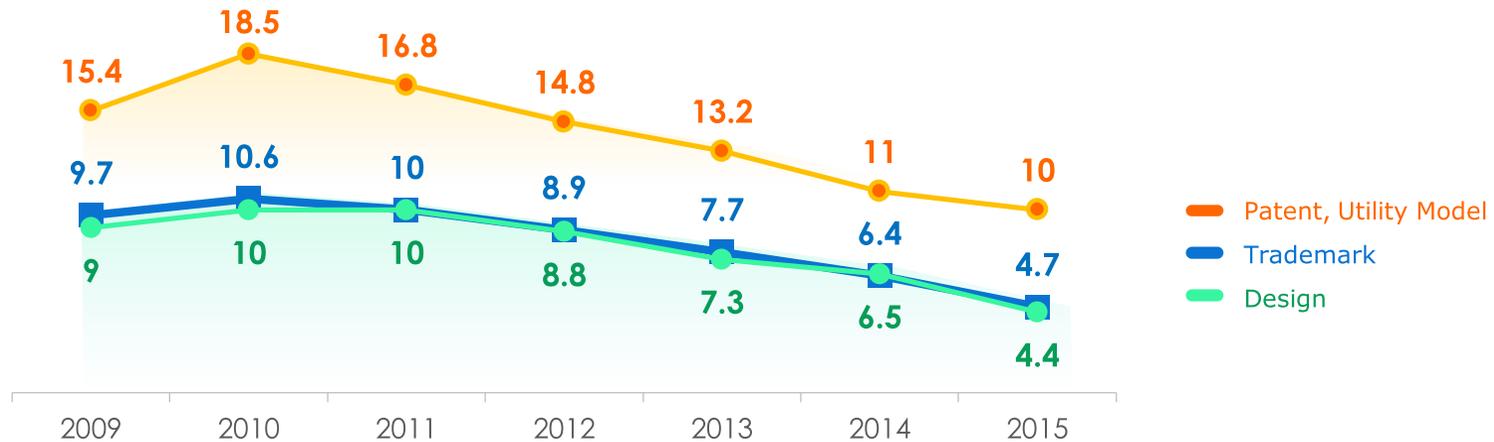
10Months



4th

16.4Months

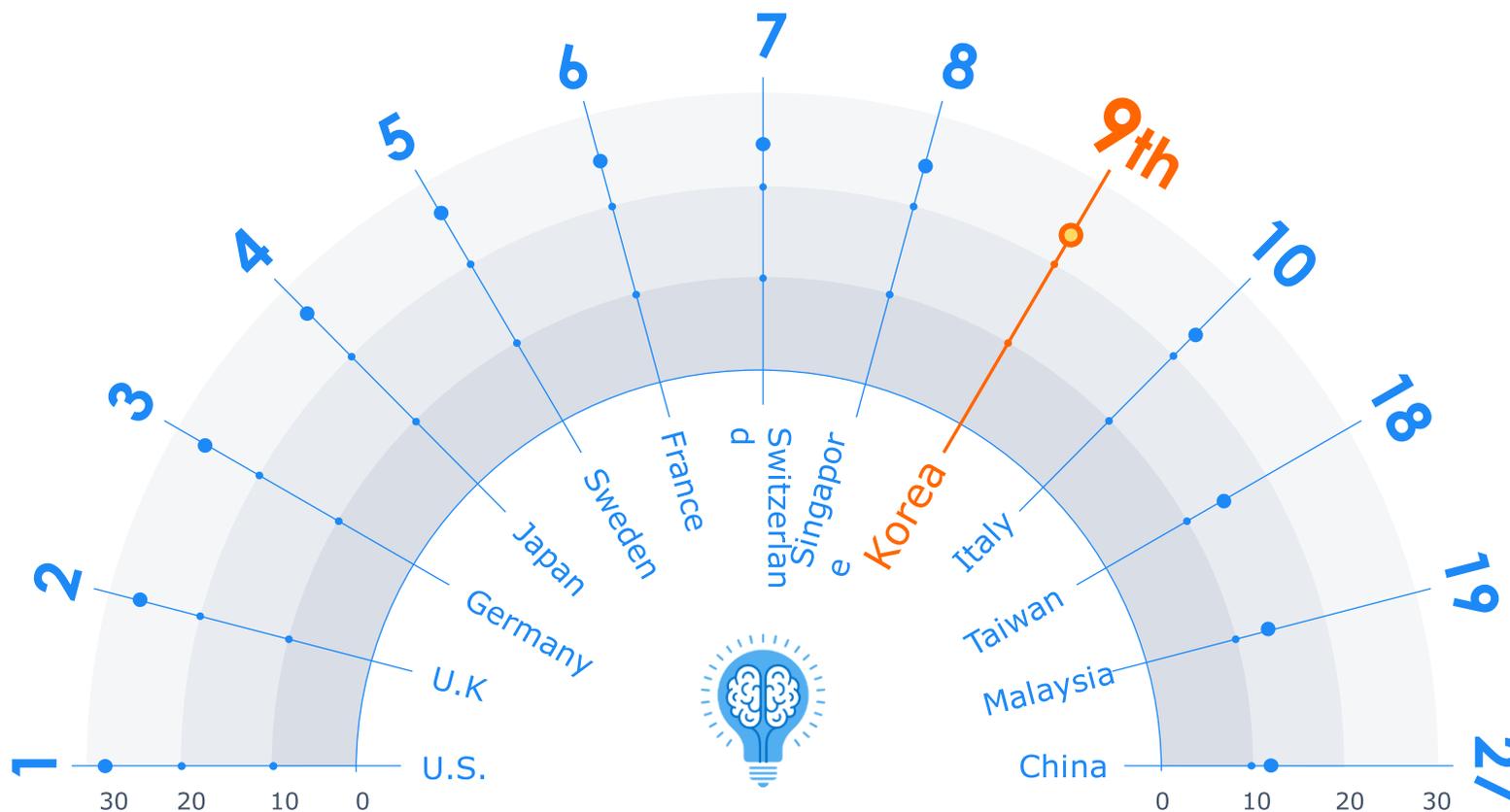
Korea's Industrial Property Right Pendency Period ('15)



*Source: Korean Intellectual Property Office(2016) "2015 Intellectual Property White Paper"

Intellectual Property

International IP Index ('16)



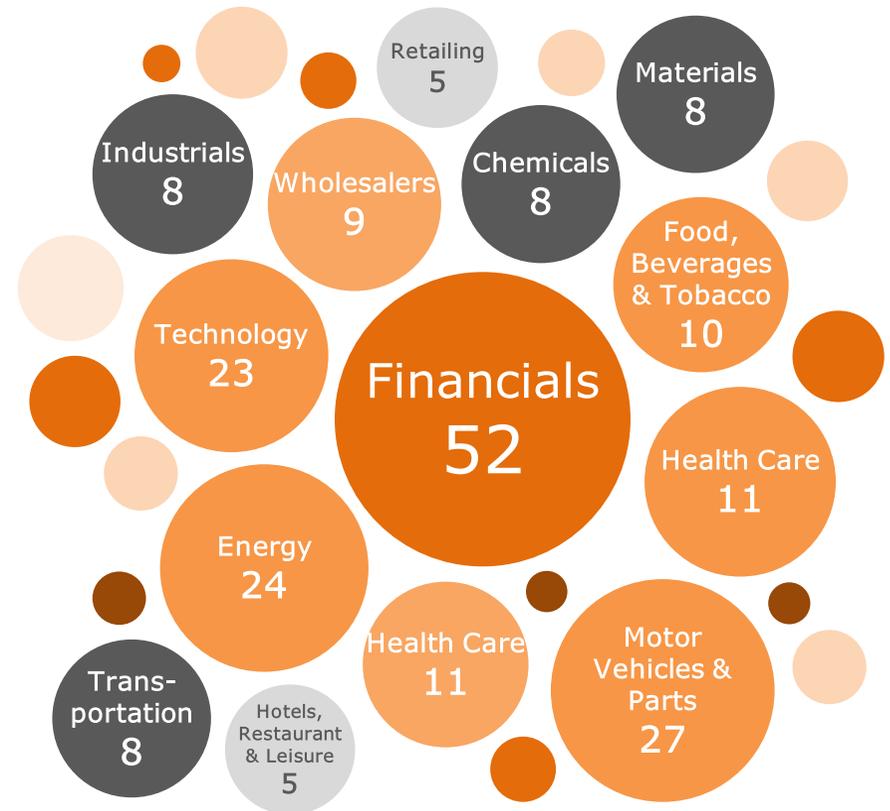
*Source: Global Intellectual Property Center(February 2017)

Foreign-Invested Companies in Korea

223 of 500 companies
invested in Korea



Major Industries



* Source: Fortune, Invest KOREA(2015)



THE FOURTH INDUSTRIAL REVOLUTION, KOREAN BUSINESS COOPERATION OPPORTUNITY

III

Background

Key words of the future industry :



'Smart Manufacturing' - Convergence of manufacturing-service, etc. industries

- M&A is actively utilized to overcome limitations of 'organic growth', and diversify and acquire business and new technology

<Number of business combinations, amount and proportion of large enterprises / non-affiliates>

	Affiliates		Non-Affiliated Companies		Total	
	No.	amount	No.	amount	No.	Amount
'16 the first half	26	0.4	33	6.4	59	6.8
'17 the first half	18	4.9	27	10.4	45	15.3

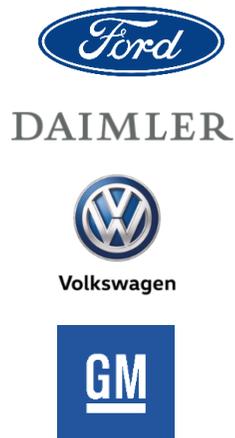
(Unit: case, trillion won)

Global Cooperation Cases by Major Sectors

Manufacturing

CASE 1

Collaborate with other areas such as sharing, mobility, apps, and AI



powermat



AI

Battery

App-based
service



taxibeat



FlightCar



car sharing

CASE 2

Technology convergence (ICT, Network, etc.)



Global Cooperation Cases by Major Sectors

Service

CASE 1

IT-pharmaceutical convergence



Medical Devices Development

CASE 2

Distribution-IT Convergence



O4O (On-line for Off-line) Strategies

Investment plans of Korean conglomerates by new industries

Korean conglomerates are actively seeking to enter other industries through merging of heterogeneous industries to overcome the stagnation of the main traditional industries.

<Investment Plans in New Industries>

Company	Period	Investment	Fields
 LG	1	19	Display, petrochemical
 HYUNDAI	5	23	Smart car, AI, energy, start-ups
 SK	3	80	Semiconductor, IT, autonomous car, bio, social enterprises
 SHINSEGAE	3	9	AI, complex shopping mall, duty-free shop
 SAMSUNG	3	180	Semiconductor, AI, 5G, automotive electronics, bio
 Hanwha	5	22	petrochemicals, aircraft parts, defense, solar energy

(Unit: case, trillion won)

Status and business opportunities related to new industries

1 Electric car, Autonomous car



electrive.com
industry service for electric mobility

News Events Study Guide
Automobile Utility Vehicles Energy & Infrastructure Battery & Fuel Cell Fleets Politics Two-W

Battery & Fuel Cell >

Feb 27, 2019 - 02:48 pm

Hungary: SK Innovation to build second battery factory

BATTERIES BATTERY CELLS BATTERY PRODUCTION HUNGARY KOMAROM SK INNOVATION SUPPLIERS

The South Korean manufacturer SK Innovation is building another factory for battery cells in Hungary. The new factory is to be completed in 2020. The factory will produce battery cells to European car manufacturers from yet provided any information on the plan. The investments, which will amount to 85...

Samsung Electronics Completes Acquisition of HARMAN

Korea on March 11, 2017

Samsung Electronics today announced it has completed the previously announced acquisition of Harman International Industries, Incorporated ("HARMAN"). Under the terms of the merger agreement, HARMAN stockholders will receive \$112.00 per share in cash. The completion follows the satisfaction of all conditions to the closing of the transaction, including approval of the transaction by HARMAN stockholders and receipt of all necessary regulatory approvals in the United States and certain foreign jurisdictions.

POSCO ICT to establish electric vehicle charging infra in Costa Rica

Dec. 06, 2016

zoom in + zoom out - List

Discusses business plans such as large-scale ESS, power demand response and energy efficiency

POSCO ICT has hit its stride in entering the smart energy market including the electric vehicle (EV) charging infrastructure in Costa Rica in cooperation with its government.

POSCO ICT discussed the plans for smart energy business at

Status and business opportunities related to new industries

2 Smart Ship

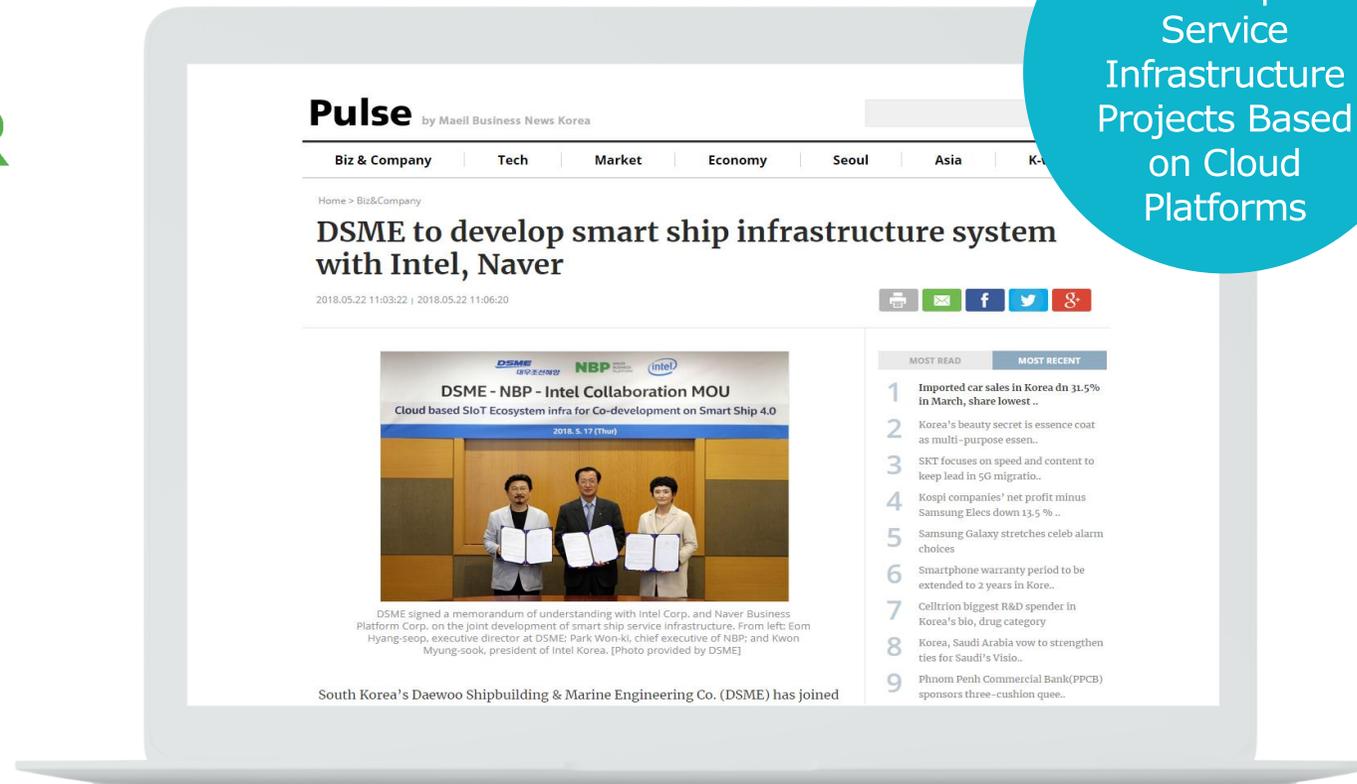
IMO's legislation of the next-generation electronic navigation system has created a new market of KRW 1,200 trillion, of which 20% is expected to be occupied by Korea

'18. 5
SmartShip 4.0
Service
Infrastructure
Projects Based
on Cloud
Platforms

NAVER



DSME

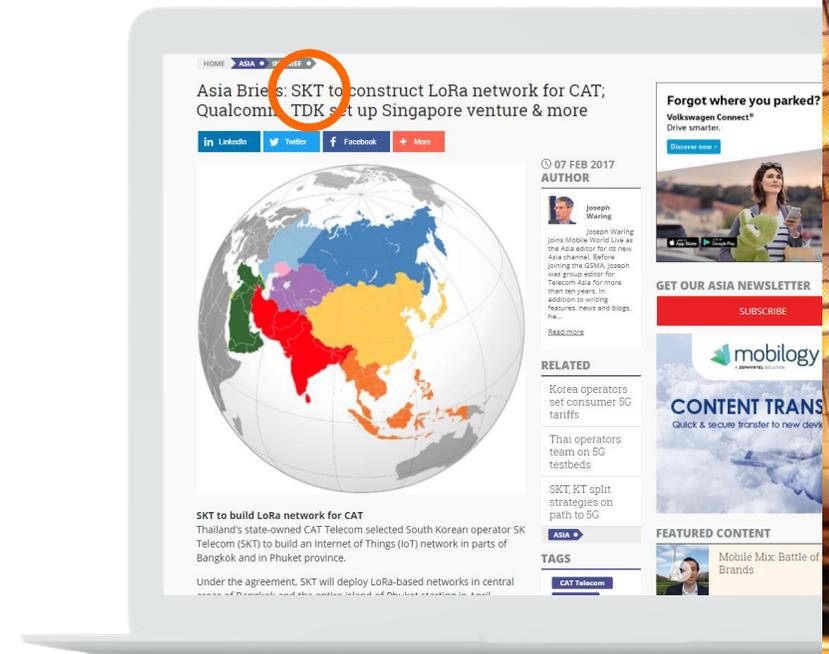
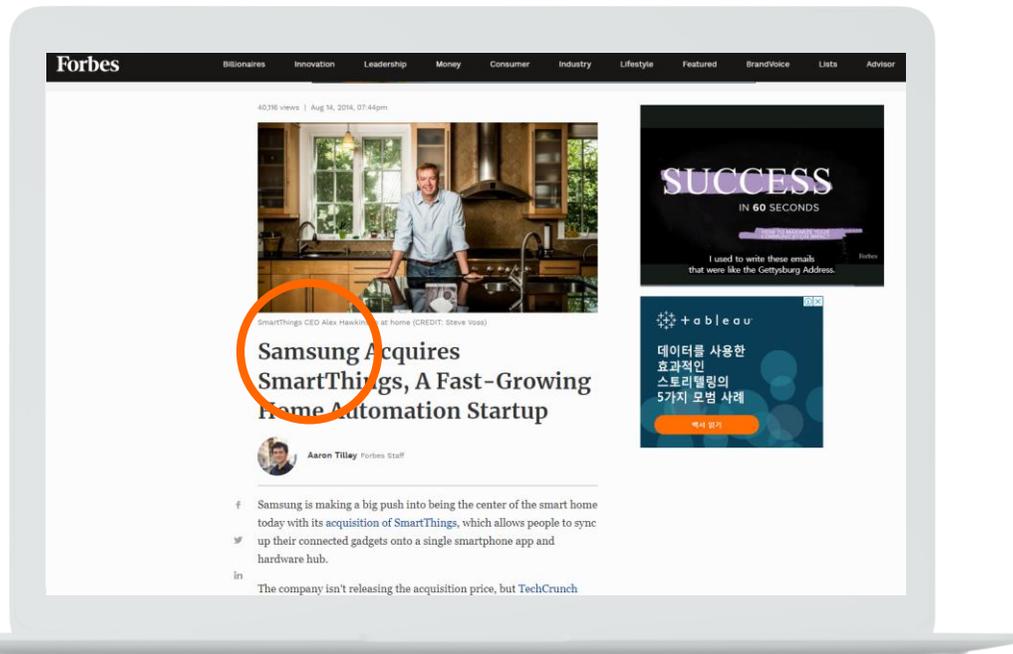


Status and business opportunities related to new industries

3 IOT Consumer Electronics

The IOT market is expected to grow significantly in hardware and related services and software

▶▶ Signing cooperation MOUs, increase collaboration among various industries



Status and business opportunities related to new industries

4 Semiconductors

Samsung Electronics announces 'Semiconductor Vision 2030' strategy aiming to be the first in system semiconductor and foundry (Apr 24, 2014)

- ▶▶ By 2030, 133 trillion won will be invested in R&D and production facilities in the system LSI business and foundry sector.



Samsung's LSI & Foundry Investment Plan

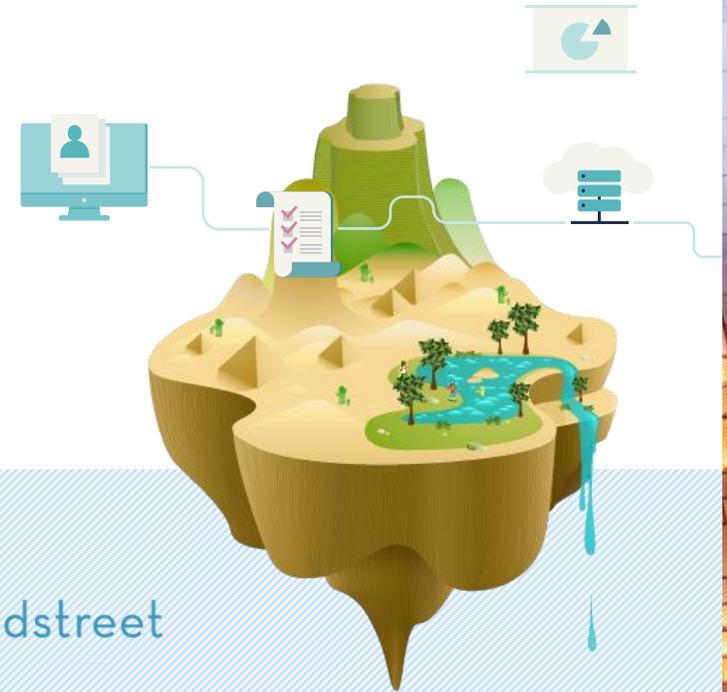
	Investments Per Year	Investments Through 2030
R&D	~\$ 5.28 billion	~\$ 63.4 billion
Production Infrastructure	~\$ 4.34 billion	~\$ 52.1 billion
Total	~\$ 9.51 billion	~\$ 115 billion
Note :	Samsung reports its investment plans in KRW, we convert numbers to USD.	

What is OASIS ?

OASIS

OASIS refers to Overseas Advanced Parts & Materials Search and Information System.

This interactive **information system** was created by the Korea Core Industrial Technology Investment Association (KITIA) and other professionals for international cooperation searching & using information on Korean companies



삼성 KPMG

pwc

NICE dun & bradstreet

ini INI R&C
Insight & Intelligence Research & Consulting

Deloitte.

sne) Research

NRI
Dream up
the future.

OASIS at a closer Look



General Company name, establishment date, CEO, business type, Industry classification, capital, listing status, location, No. of employees, business registration number, contact info, and homepage

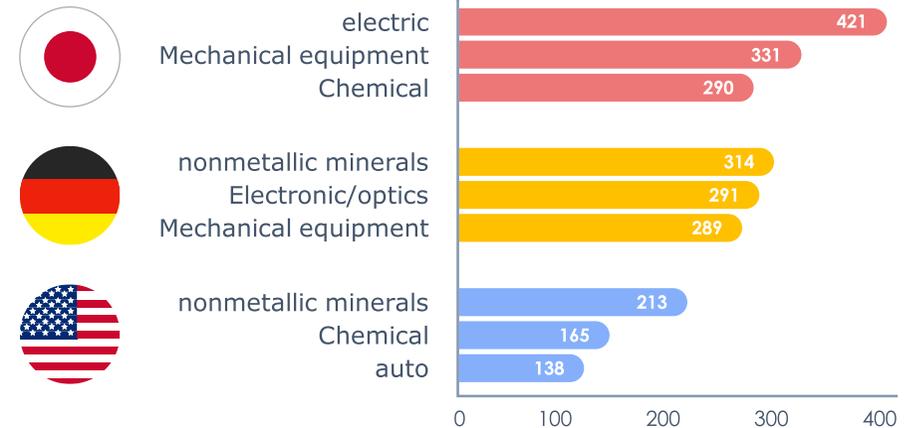
Finance Sales, operating profit, net profit during the term, total assets, total debt, etc.

Business major customers, purchasers, distributors, market share, overseas market status, business field, main product, product code, product features, technology, company characteristics, patent, etc.

Investment Facility investment, R&D investment, investment plan, demand for global cooperation, countries wishing to cooperate, purpose of investment attraction, etc.

OASIS DB Coverage

Sortation	Korean		Overseas			total
	Domestic (R&D)	Foreign-invested	Japan	Germany	US	
No.	2,942 (510)	3,747	1,855	1,842	1,000	11,896



An aerial photograph of a modern city at dusk or night. The scene is dominated by numerous skyscrapers with glass facades, many of which are illuminated from within, creating a vibrant glow. The buildings are arranged in a dense urban grid. In the foreground, a multi-lane highway is visible, with a heavy flow of traffic. The lights from the cars create long, colorful streaks of red and white, indicating a busy thoroughfare. The sky is a deep, clear blue, suggesting the time is either late evening or early morning. The overall atmosphere is one of a bustling, contemporary metropolis.

THANK YOU